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M E M O R A N D U M

TO: Joe Ricci, President
Textile Rental Services Association

FROM: John L. Wittenborn 
Alexander D. Menotti

DATE: July 27, 2011

RE: Alltex Uniform Rental Service Consent Decree

I. Introduction

The Department of Justice ("DOJ") recently announced a proposed consent decree with Alltex Uniform Rental Service Co. and its parent G&K Services, Co. ("Alltex") to settle allegations that Alltex illegally installed and operated industrial laundry equipment without a new source review or operating permit at its Manchester, New Hampshire, facility. As the consent decree may serve as precedent for future Best Achievable Control Technology ("BACT") or Lowest Achievable Emission Rate ("LAER") permitting determinations (applicable in attainment and non-attainment zones, respectively) for emissions of volatile organic compounds ("VOCs") from industrial laundries, we are providing TRSA with a brief review of the proposed consent decree.

II. Settlement Background

In 1997, Alltex installed two industrial washers and a dryer that DOJ alleged had a potential to emit greater than 50 tons per year of volatile organic compounds ("VOCs"), making

the facility a major source of VOCs in the Hillsborough County, New Hampshire, ozone non-attainment zone. As a major source in a non-attainment zone, DOJ alleged that Alltex was required to comply with non-attainment new source review permitting requirements prior to installation of the equipment, meet LAER for VOCs, obtain offsets for its VOC emissions, and apply for and obtain a Title V operating permit.

III. Proposed Consent Decree

Without admitting liability, Alltex has agreed to pay a civil penalty of \$65,000 and contribute \$222,000 towards a wood-stove change out program as a Supplemental Environmental Project ("SEP"). Alltex is also required to purchase and retire 75 tons of VOC or NOx credits. Although DOJ only alleged excess VOC emissions, Alltex can purchase NOx credits because NOx and VOCs interact to contribute to ozone non-attainment.

The consent decree requires that Alltex install and operate a VOC control system at least as effective as an Ellis Corporation 900 lb. side loading VOC washer/extractor/condenser system. Alltex must also use good work practices to minimize fugitive VOC emissions, including minimizing the time between pick up and laundering of soiled towels containing VOCs, maintaining towels in drums with closed lids, minimizing the amount of time that towels are exposed to the atmosphere during sorting and handling activities, and using different color towels for print, shop, and other towels containing VOCs. Finally, Alltex must limit its throughput of VOC-containing towels to no more than 50,000 pounds of soiled print and/or furniture towels and 125,000 pounds of soiled shop towels per month to ensure that the facility stays below major source thresholds.

The consent decree further requires that Alltex must ultimately obtain an operating permit with conditions no less stringent than the terms of the consent decree. The operating permit must limit VOC emissions below the major source threshold of 50 tons per year of VOCs. In addition,

although DOJ did not allege excess hazardous air pollutant ("HAP") emissions, the consent decree requires that the operating permit limit HAP emissions below the major source threshold of ten tons per year of any single HAP or 25 tons per year of any combination of HAPs.

IV. Conclusion

The proposed consent decree appears to be the first attempt to require source-specific controls on industrial laundries. As controls and operating conditions at least as stringent as those included in the consent decree will ultimately be memorialized in a Title V operating permit, the controls and conditions may ultimately be added to EPA's BACT/LAER clearinghouse and serve as the starting point for future Prevention of Significant Deterioration ("PSD") and non-attainment new source review BACT and LAER determinations, respectively.